Serial No. 10/661,572

## **REMARKS**

#### INTRODUCTION

In accordance with the foregoing, claim 24 has been amended. No claims have been canceled or added. No new matter is being presented, and approval and entry are respectfully requested.

Claims 1-22 and 24-25 are pending and under consideration. Reconsideration is respectfully requested.

#### **ALLOWED CLAIMS**

The Applicants acknowledge with appreciation that claims 1-22 and 25 have been allowed.

# REJECTION UNDER 35 U.S.C. §101

In the Office Action, at page 2, claim 24 was rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Specifically, the Examiner states that "[c]laim 24 merely claims a series of steps without producing a 'useful, concrete, and tangible result." The Applicants respectfully traverse the rejection.

Patent protection extends to "any new and useful process, machine, manufacture, or composition of matter." 35 U.S.C. §101. However, there are three judicially recognized exceptions to patent eligibility. Those exceptions are "laws of nature, natural phenomena, and abstract ideas." Diamond v. Diehr, 450 U.S. 175, 185 (1981). Claim 24 is directed to a method to determine a condition of a tool used in a machine tool. In other words, claim 24 is directed to a process. The Examiner has not asserted that claim 24 recites a law of nature, a natural phenomena, or an abstract idea. Accordingly, claims 24 falls squarely within the statutory categories of patent-eligible subject matter set forth in 35 U.S.C. §101. No judicial exceptions apply. Accordingly, the Applicants respectfully submit that the rejection under 35 U.S.C. §101 is clearly improper.

Moreover, even if one assumes that a judical exception does in fact apply, the Examiner's assertion that that "[c]laim 24 merely claims a series of steps without producing a 'useful, concrete, and tangible result" appears completely unsupported. The Applicants respectfully submit that "updating a moving variable threshold based on a prior load state value

Serial No. 10/661,572

calculated in a machining cycle before the current machining cycle" is a claimed useful, concrete and tangible result. Accordingly, the Applicants respectfully submit that the rejection under 35 U.S.C. §101 is improper for this reason as well.

### CONCLUSION

In accordance with the foregoing, it is respectfully submitted that all outstanding objections and rejections have been overcome and/or rendered moot. And further, that all pending claims patentably distinguish over the prior art. Thus, there being no further outstanding objections or rejections, the application is submitted as being in condition for allowance which action is earnestly solicited.

If the Examiner has any remaining issues to be addressed, it is believed that prosecution can be expedited by the Examiner contacting the undersigned attorney for a telephone interview to discuss resolution of such issues.

If there are any underpayments or overpayments of fees associated with the filing of this Amendment, please charge and/or credit the same to our Deposit Account No. 19-3935.

Respectfully submitted,

STAAS & HALSEY LLP

Date: Aug. 3, 200

Christopher P. Mitc

Registration No. 54,946

1201 New York Avenue, NW, 7th Floor

Washington, D.C. 20005

Telephone: (202) 434-1500 Facsimile: (202) 434-1501